GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:597
ANSWERED ON:16.08.2007
RISE IN PRICES OF DRUGS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Pharma Companies have made unjustified price rise in nine commonly used medicines;

(b) if so, the details thereof and the reasons therefor;

(c) the steps taken by the Government in this regard;

(d) whether the Union Government has fixed prices of non-commonly used drugs where it noticed that prices have shot up for no valid reasons; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (e) The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed / revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. The price fixation/revision of the Scheduled Drugs and formulations is a continuous process under DPCO, 95. In case of any violation of the price fixed by NPPA, action for recovery of overcharging amount is taken by NPPA.

As part of its price monitoring activity, NPPA regularly examines the movement in prices of non-Scheduled formulations in accordance with certain internal guidelines. The monthly reports of ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-Scheduled formulations. Wherever abnormal price increase is noticed, necessary action is taken. The manufacturers are impressed upon to bring down the prices. This is an ongoing process.

NPPA has fixed prices of nine non-Scheduled formulations on 13.6.2007 and 27.6.2007 and subsequently another eleven non-Scheduled formulations on 30.7.2007 under para 10(b) of DPCO, 1995 in the public interest where the price rise is not justified.